



State of California

# Employment Training Panel

Arnold Schwarzenegger, Governor

February 1, 2008

Jennifer Lyall-Fritchle, Owner & Director of Human Resources  
R.W. Lyall & Company, Inc.  
2665 Research Drive  
Corona, CA 92882

Dear Ms. Lyall-Fritchle:

**RE: FINAL MONITORING VISIT REPORT for R.W. Lyall & Company, Inc. – ET06-0268**

<b>Date of the Visit:</b>	01/31/08
<b>Beginning/Ending Time of Visit:</b>	10:00 a.m. – 11:00 a.m.
<b>Location of Visit:</b>	Via Teleconference
<b>Persons in attendance:</b>	Jennifer Lyall-Fritchle, Owner, RW Lyall; Marilyn Dominguez, VP, Administration, California Training Coalition; and Krista Campion, Contract Analyst, Employment Training Panel
<b>Date of Prior Visit:</b>	6/08/07
<b>Action Required from this visit :</b>	No

## **CONTRACT INFORMATION**

<b>Term of Agreement:</b>	3/27/06 – 3/26/08	<b>Agreement Amount:</b>	\$179,140
<b>Type of Trainee:</b>	Retrainee	<b>No. to Retain:</b>	130
<b>Training Started:</b>	4/27/06	<b>Range of Hours:</b>	24 – 200
<b>Date Training must be completed:</b>	12/26/07	<b>Weighted Average Hours:</b>	106

**ACTION ITEMS REMAINING  
FROM THE PRIOR VISIT:**

**None**

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## **FINAL REPORT SUMMARY**

### **• HISTORY OF AGREEMENT CHANGES**

The Agreement was executed on 4/18/06. Training commenced on this project on 4/27/06 and the last day of ETP training was 12/20/07, which allows for the 90-day retention period to be completed within the term ending date of the Agreement – 3/26/08.

There were no Amendments or Modifications to the Agreement processed by ETP during the term of the Agreement.

### **• INTERVIEW WITH THE SIGNATORY, JENNIFER LYALL-FRITCHLE, OWNER / DIRECTOR OF HR**

R.W. Lyall manufactures piping distribution products, such as couplings, fittings, meter risers, bypass valves, to name a few, for the natural gas and liquid propane gas industries. Ms. Lyall-Fritchle reported that there were several challenges the company faced during the term of the Agreement that impacted the R.W. Lyall's ability to complete the training specified in the Agreement. First, as stated in prior Monitoring Reports, due to production issues and the acquisition of another company out-of-state in 2006, company resources had been stretched which impacted the company's ability to release trainees for training during that year.

Ms. Lyall-Fritchle reported that the company had intended to increase the delivery of training in 2007 in order to meet the contract requirements. However, due to the housing industry downturn that year, RW Lyall's sales fell 32 percent. As a result, the company had a 35 percent reduction in workforce in August 2007. Therefore, very few trainees were able to complete the minimum number of training hours to qualify for reimbursement (see projected earnings below).

Ms. Lyall-Fritchle also reported that, although the company will only earn a small fraction of the Agreement amount, some of the training that was conducted was deemed very effective. Specifically, the Lean Manufacturing training (Continuous Improvement) allowed the company to streamline its manufacturing operations. According to Ms. Lyall-Fritchle and Ms. Dominguez, a substantial number of trainees will be dropped in this project because they were either laid off or failed to meet the minimum number of training hours.

**PROJECT STATUS PROVIDED BY THE CONTRACTOR**

Trainees Started Training:	174
Enrolled:	63
Dropped Following Enrollment:	*0
Completed Minimum Hours:	17
Completed All Training:	0
Completed Retention:	11

\*Ms. Dominguez reported that approximately 50 retrainees will be dropped prior to the submission of the Fiscal closeout invoice.

**PROJECTED EARNINGS / NUMBER TO RETAIN**

The per trainee reimbursement for class/lab training is based on the total actual number of training hours completed for each trainee, provided the minimum (24) and no more than the maximum (120) class/lab training hours are completed, and all other Agreement terms and conditions are met. The ETP on-line class/lab tracking system reflects that 17 retrainees have completed the minimum number of hours to qualify for reimbursement; however, Ms. Dominguez reported that her records reflect only 14 retrainees will earn reimbursement due to some recent drops that have yet to be submitted to ETP.

Ms. Dominguez estimates that the aforementioned 14 retrainees have completed from 24 to 50 hours of class/lab training, which equates to a potential reimbursement, to date, of approximately \$5,387 assuming that all Agreement performance requirements are met. This amount is approximately three percent of the Agreement amount and approximately nine percent of the current encumbered amount.

**POTENTIAL OVERPAYMENT / CLOSEOUT INVOICE**

To date, R.W. Lyall has been reimbursed a total of \$5,387.98 in *unearned* progress payments. Therefore, you are reminded that, in the event of an overpayment, all unearned monies shall be returned to ETP with statutory interest computed from the first day of the month following the date the funds are received, as specified in the Agreement, Term & Conditions, Section 6.

Ms. Campion advised your staff that the closeout invoice should be submitted to the ETP Fiscal Unit in Sacramento no later than 30 days after the end term date of the Agreement or 4/26/08. If you are unable to submit the final payment by 4/26/08, you may request an extension through your Monitoring Analyst, Krista Campion.

## **AUDIT**

You are advised that R.W. Lyall & Company, Inc.. will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

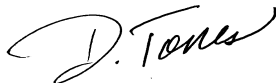
- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

## **RECORD RETENTION**

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information in this letter, please contact Ms. Campion at 619-686-1917, or at [kcampion@etp.ca.gov](mailto:kcampion@etp.ca.gov), within ten (10) working days from the receipt date of this letter.

Sincerely,



Diana Torres, Manager  
San Diego Regional Office



Krista Campion, Contract Analyst  
San Diego Regional Office

cc: Marilyn Dominguez, California Training Coalition  
Kulbir Mayall, Manager, Fiscal & Certification, ETP  
Master File  
Project File

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